

TERA[▲]EXCHANGE

June 15, 2016

VIA E-MAIL (submissions@cftc.gov)

Mr. Christopher Kirkpatrick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: CFTC Regulation 40.6(a) Certification. Change of Credit Support Obligations and Daily Notional Limit Guidelines for USD/Bitcoin Non-Deliverable Forwards. TeraExchange Notice to Participants 2016-03

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c) of the Commodity Exchange Act, as amended (the “Act”), and Commodity Futures Trading Commission (“CFTC” or the “Commission”) Regulation 40.6, TeraExchange, LLC (“Tera”) hereby notifies the Commission that it is changing the credit support obligations and daily notional limit guidelines for market participants that trade Tera’s USD/Bitcoin Non-Deliverable Forwards (“USD/Bitcoin Swaps”), effective June 25, 2016.

Tera has amended the credit support obligations guidelines for market participants wishing to trade USD/Bitcoin Swaps, increasing USD-based collateral to 40% of the Notional Amount of the trade, and bitcoin-based collateral to 45% of the Notional Amount of the trade. Additionally, Tera has changed its daily notional limit guidelines to set the maximum notional amount of all USD/Bitcoin Swaps that a market participant may execute in a given trading day to equal 2.5x of unpledged USD on deposit, or 2.25x of unpledged bitcoin on deposit.

Tera continues to be in compliance with the applicable provisions of the Act, including the core Principles. Tera hereby certifies that the amended guidelines comply with the Commodity Exchange Act and the Commission’s regulations thereunder. No substantive opposing views were expressed that were not incorporated into the guideline amendments. Tera hereby certifies that it has posted a Notice to Participants on its website at <http://www.teraexchange.com>, concurrent with the filing of this submission with the Commission.

Should you require additional information related to this submission, please contact the undersigned at (908)273-8277 or crossman@teraexchange.com.

Best regards,

Christopher Rossman

Christopher Rossman
Chief Compliance Officer